



**CABINET FOR HEALTH AND FAMILY SERVICES  
DEPARTMENT FOR PUBLIC HEALTH**

**Steven L. Beshear**  
Governor

275 East Main Street, HS2E-B  
Frankfort, Kentucky 40621  
(502) 564-4478  
(502) 696-4923 Fax  
[www.chfs.ky.gov](http://www.chfs.ky.gov)

**Audrey Tayse Haynes**  
Secretary

To: All Kentucky Vaccine Program (KVP) Providers

From: Laura C. Harrod, MS Ed  
Kentucky Vaccine Program Coordinator

Date: December 7, 2012

Subject: New Fraud and Abuse Policy

Enclosed you will find the revised Fraud and Abuse Policy. Please take the time to read and become familiar with this policy. Also enclosed is a copy of the Failure to comply with VFC Requirements Protocol.

Please direct questions or concerns to the following KVP personnel at (502) 564-4478. Our NEW extensions as of 11/8/12 are enclosed:

- |   |           |  |
|---|-----------|--|
| • Laura Harrod, KVP Coordinator   | ext. 4256 | <a href="mailto:Laura.Harrod@ky.gov">Laura.Harrod@ky.gov</a>       |
| • Judy Baker, Assistant KVP Coordinator   | ext. 4252 | <a href="mailto:Judy.Baker@ky.gov">Judy.Baker@ky.gov</a>           |
| • Rita Lathrem, KVP Representative<br>(VFC Pin #s starting with: H, FQ, RH and OP)  | ext. 4258 | <a href="mailto:Rita.Lathrem@ky.gov">Rita.Lathrem@ky.gov</a>       |
| • Clarissa Wilson, KVP Representative<br>(VFC PIN #s starting with: CC, D, 1 and 2) | ext. 4267 | <a href="mailto:Clarissa.Wilson@ky.gov">Clarissa.Wilson@ky.gov</a> |

cc: Kraig Humbaugh, MD, MPH  
Robert Brawley, MD, MPH, FSHEA  
Margaret Jones, RN, BSN, BSEd  
Jennifer Paulk

# **Kentucky Vaccine Program Fraud and Abuse Policy**

Revised 12/7/12

## **Purpose:**

This document will outline the policy and procedures to prevent, detect, investigate, and resolve suspected fraud and abuse allegations for medical providers in the Kentucky Vaccine Program (KVP). The federal Vaccines for Children Program (VFC) is the largest part of the KVP.

## **Background:**

The Vaccines for Children (VFC) Program is a federally funded program that provides vaccine at no cost to children who are Medicaid-eligible, uninsured, American Indian/Alaskan Native, or who are underinsured and receiving immunizations at a Federally Qualified Health Center (FQHC) or Rural Health Clinic (RHC) or a local health department delegated by a FQHC or RHC. The cost and number of vaccines provided by the VFC Program and 317 Programs have increased dramatically over the past few years. With Kentucky receiving nearly \$48 million in federal vaccine funds in 2011, it is imperative that the KVP have effective and enforceable policies and procedures against fraud and abuse to safeguard this significant investment.

## **Definitions:**

### **Authority:**

KRS 205.8453(4) directs the Cabinet for Health Services to institute other measures necessary or useful in controlling fraud and abuse. The Kentucky Department for Public Health is responsible for monitoring the utilization of services in the KY VFC Program and refers any concerns of fraud, abuse and/or waste to the Office of Inspector General (OIG) as the designated Single State Agency for the Kentucky Medicaid Program. Referrals outlining the potential fraud, abuse or waste will be forwarded to the OIG, Division of Audits & Investigations, Medicaid Preliminary Investigations (MPI) Branch. The MPI Branch will review complaints of potential fraud, abuse and /or waste. The MPI Branch is responsible for referring any situations in which they have determined that fraud, abuse and/or waste may have occurred to an outside agency for further investigation and prosecution (i.e., the Kentucky Office of the Attorney General, Department of Insurance, U.S. Department of Health & Human Services, U.S. Office of the Attorney General, etc.).

**Fraud** is defined as an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself/herself or some other person. It includes any act that constitutes fraud under applicable federal or state law.

**Abuse** is defined as provider practices that are inconsistent with sound fiscal, business, or medical practices, and result in an unnecessary cost to the Medicaid program, [and/or including actions that result in an unnecessary cost to the immunization program, a health insurance company, or a patient]; or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards for health care.

**Examples of Fraud and Abuse:**

This list is not intended to be exhaustive of all acts that may constitute fraud or abuse.

- Providing VFC vaccines to non-VFC eligible children;
- Selling or otherwise misdirecting VFC vaccine;
- Billing a patient or third party for the VFC-funded vaccine;
- Charging more than the established maximum regional charge for administration of a VFC-funded vaccine to a federal vaccine-eligible child;
- Denying VFC-eligible children VFC-funded vaccine because of parents' inability to pay the administration fee;
- Failing to implement provider enrollment requirements of the VFC program;
- Failing to screen patients for VFC eligibility at every visit;
- Failing to maintain VFC records or not complying with other requirements of the VFC Program;
- Failing to fully account for VFC vaccine;
- Failing to properly store and handle VFC vaccine;
- Ordering VFC vaccine in quantities or patterns that do not match the provider's profile or otherwise over-ordering of VFC doses of vaccine ;
- Wasting VFC vaccine (e.g., expiring vaccine, ordering too many doses of vaccines, storing or transporting vaccines outside of cold chain procedures, lost or unaccounted for doses, etc.)
- Any activity that will result in an overpayment for costs of the vaccine or administration.

**Fraud and Abuse Contact Persons:**

The following persons will have the authority to make decisions about where potential fraud/abuse situations are to be referred, make the referral, and notify the appropriate governmental agencies (e.g., CDC, state Medicaid and others as appropriate).

- Fraud and Abuse Coordinator: Laura Harrod, KVP Coordinator (502) 564-4478 x4256.
- Back up Coordinator: Judy Baker, KVP Assistant Coordinator – (502) 564-4478 x4252.
- Telephone number for reporting Fraud and Abuse: (502) 564-4478: This number is answered on business days from 8:00 am – 4:30 pm.

**CDC Non-Compliance with VFC Program Requirements Algorithm:**

This algorithm was developed to provide a detailed framework to identify providers who are non-compliant with VFC program requirements. The KVP will address provider non-compliance by using this algorithm. Please see attached CDC Algorithm. This document can also be found at: <http://www.cdc.gov/vaccines/programs/vfc/downloads/vfc-op-guide/nc-vfc-algorithm-fall08.pdf>.

**Preventing Fraud and Abuse:**

The following activities are part of the VFC Program's daily operations to prevent instances of fraud and abuse.

- Upon enrollment into the VFC Program, new immunization providers will receive an educational training session from the Immunization Field Staff to explain the VFC Program in detail. Providers will be educated about the purpose, eligibility requirements, and VFC program requirements.
- All providers who participate in the VFC Program are required to submit a completed Provider Profile and signed Provider Enrollment form before they can receive vaccine. Providers must update these forms as needed, but at least annually, to continue to receive vaccine. The Provider Enrollment form outlines the requirements with which providers must comply to participate in the VFC Program. By signing the Provider Enrollment form, providers certify that they will comply with the VFC Program requirements.
- All incoming vaccine orders and reports of doses administered are reviewed by the vaccine management staff. Any inconsistencies on these reports (e.g., ordering more vaccine than is usually ordered, reports of wasted/expired vaccine) are addressed quickly by vaccine management staff, and adjustments are made as appropriate.
- Per the Enrollment Form signed yearly providers may have to reimburse the Immunization Program dose for dose for any vaccines that cannot be accounted for, spoiled, expired or are deemed preventable losses. Providers are required to develop corrective action plans and submit proof of replacement vaccine.
- All VFC staff that have interaction with VFC-enrolled providers are thoroughly trained to prevent, identify, and resolve issues and instances of programmatic fraud and abuse and non-compliance in a provider's office/clinic as part of their job responsibilities.
- Site visits are conducted annually (in most years, ~100% of providers are visited each year). Immunization Field Staff inspect for any indications of fraud or abuse during their reviews, and they continue to follow-up on any deficiencies until improvements are made and maintained.
- Immunization Field Staff conducts additional site visits if providers have vaccine storage and handling problems or other problems and follow-up with the providers until improvements are made and maintained.
- VFC education is provided annually during site visits to 100% of enrolled providers to educate on the latest immunization information.
- As a quality assurance measure, VFC staff will review the *List of Excluded Individuals and Entities* list located at <http://exclusions.oig.hhs.gov/>, prior to allowing new VFC providers on the program and yearly when updated enrollment forms are received. The list is used to identify parties excluded from participation in federal health care programs. Any VFC enrolled provider that newly appears on the exclusion list will be immediately suspended from the VFC Program and any VFC vaccine in inventory will be retrieved by VFC staff.

### **Detecting, Investigating, Reporting, and Resolving Fraud and Abuse:**

Instances of potential fraud and abuse are most often reported as complaints or referrals from outside sources regarding a provider who has inappropriately used vaccines or billed Medicaid or private insurers for the cost of VFC vaccines. Instances of potential fraud and abuse might also be detected during review of providers' vaccine orders or during **Assessment, Feedback, Incentives, eXchange** program AFIX/VFC site visits.

As determined by VFC staff, if an instance of fraud and abuse is determined to result from an **excusable lack of knowledge or misunderstanding of the VFC Program requirements**, the VFC Coordinator will implement an Education and Corrective Action Plan and attempt to resolve the situation through the use of KVP staff. This determination would be made on a case-by-case basis depending on such factors as the amount of money lost, inadvertent financial gain by the provider, how the incident was identified, length of time the incident was occurring, provider's willingness to replace the lost VFC vaccine, and the willingness of the provider's staff to participate in the educational referrals and post-education follow-ups. In addition, a visit by the Immunization Field Staff and VFC Educator could be made to the provider's office and follow-up would be provided until the situation improves.

If an instance of fraud and abuse is determined to be **intentional or is not able to be resolved by KVP staff**, the following information will be collected:

- Medical Provider's name (Medicaid ID if known);
- Address;
- Source of allegation;
- Date allegation reported to program;
- Description of suspected misconduct;
- Specific VFC requirements violated;
- Value of vaccine involved, if available;
- Success of educational intervention;
- Disposition (e.g., closed, referred, or entered into education process) of case and date of disposition.

Instances of suspected fraud and abuse will be discussed immediately with the following staff:  
Margaret Jones, RN, BSN, BS Ed, Immunization Program Manager - (502) 564-4478 x4257  
Jennifer Paulk, Assistant Immunization Program Manager - (502) 564-4478 x4261  
Robert Brawley, MD, MPH FSHEA, Chief, Infectious Disease Branch - (502) 564-3261 x4235  
Kraig Humbaugh, MD, MPH, Director of Epidemiology and Health Planning - (502) 564-3418 x4310.

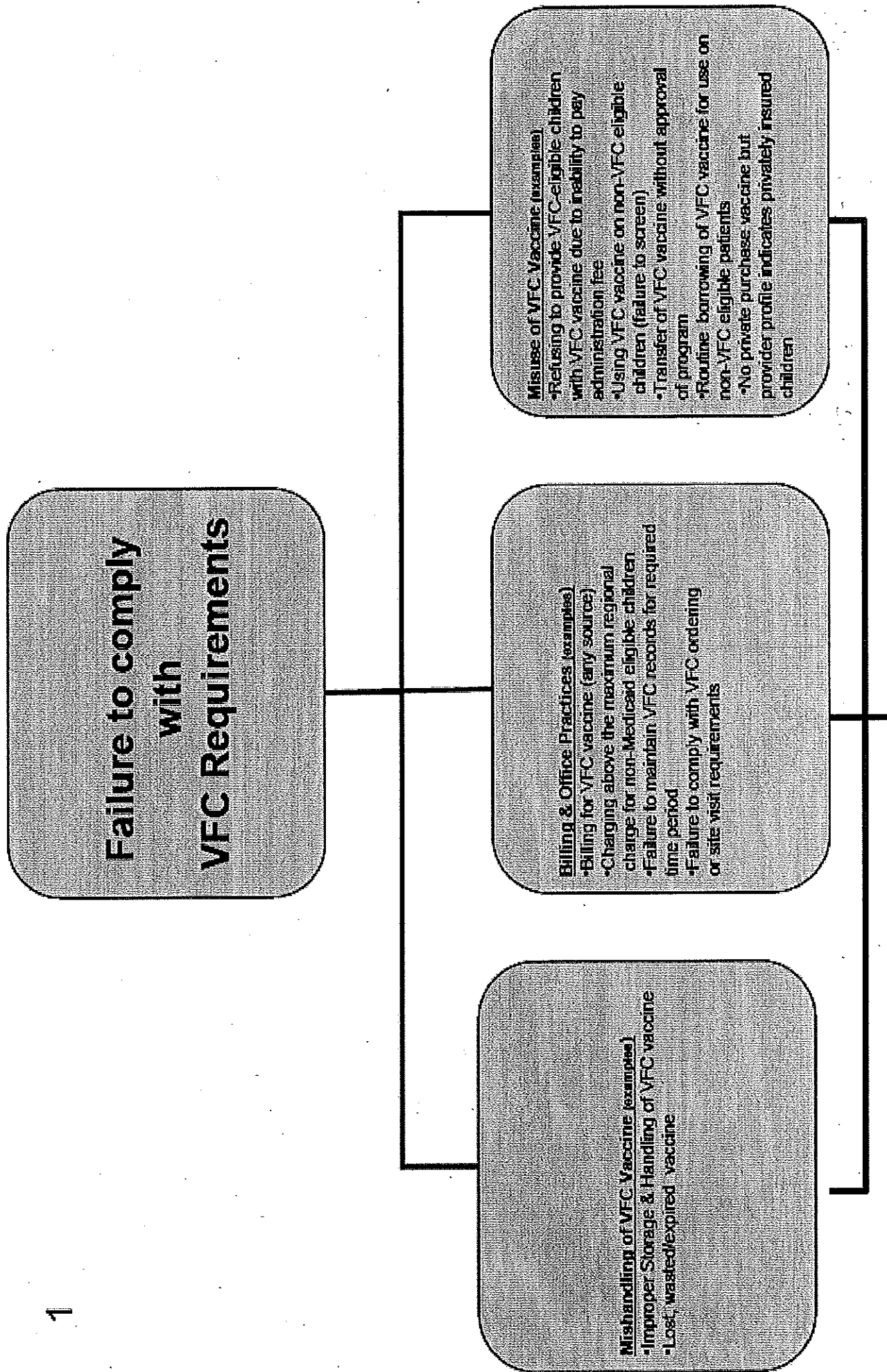
#### **External Referral Contacts for Potential Fraud:**

A suspected instance of fraud or abuse that is determined to be **intentional or is not able to be resolved by KVP staff** will be referred to the: Center for Medicare & Medicaid Services (CMS), Kentucky Medicaid, and Centers for Disease Control and Prevention (CDC) contacts within five (5) working days. In addition to the above-mentioned information, Immunization Program staff will gather and provide any additional information requested by Medicaid/CDC.

- Center for Medicare & Medicaid Services (CMS): All suspected cases of fraud and abuse that grantees determine should have further investigation must be referred to the Medicaid Integrity Group. All referrals should be sent to the following e-mail address: [MIG\\_Fraud\\_Referrals@cms.hhs.gov](mailto:MIG_Fraud_Referrals@cms.hhs.gov)
- Lee A. Guice, Director, Division of Audits & Investigations, Office of Inspector General, 275 East Main St. 5E-D, Frankfort, KY 40621, , (502) 564-2815, [Lee.Guice@ky.gov](mailto:Lee.Guice@ky.gov)
- NCIRD/POB (National Center for Immunization and Respiratory Diseases/Program Operations Branch) Project Officer: Mayra Lacén (404) 639-8433. All suspected cases

of VFC fraud and abuse referred to the Kentucky Immunization Program for follow-up will be reported to NCIRD/POB Project Officer within 2 days of the referral.

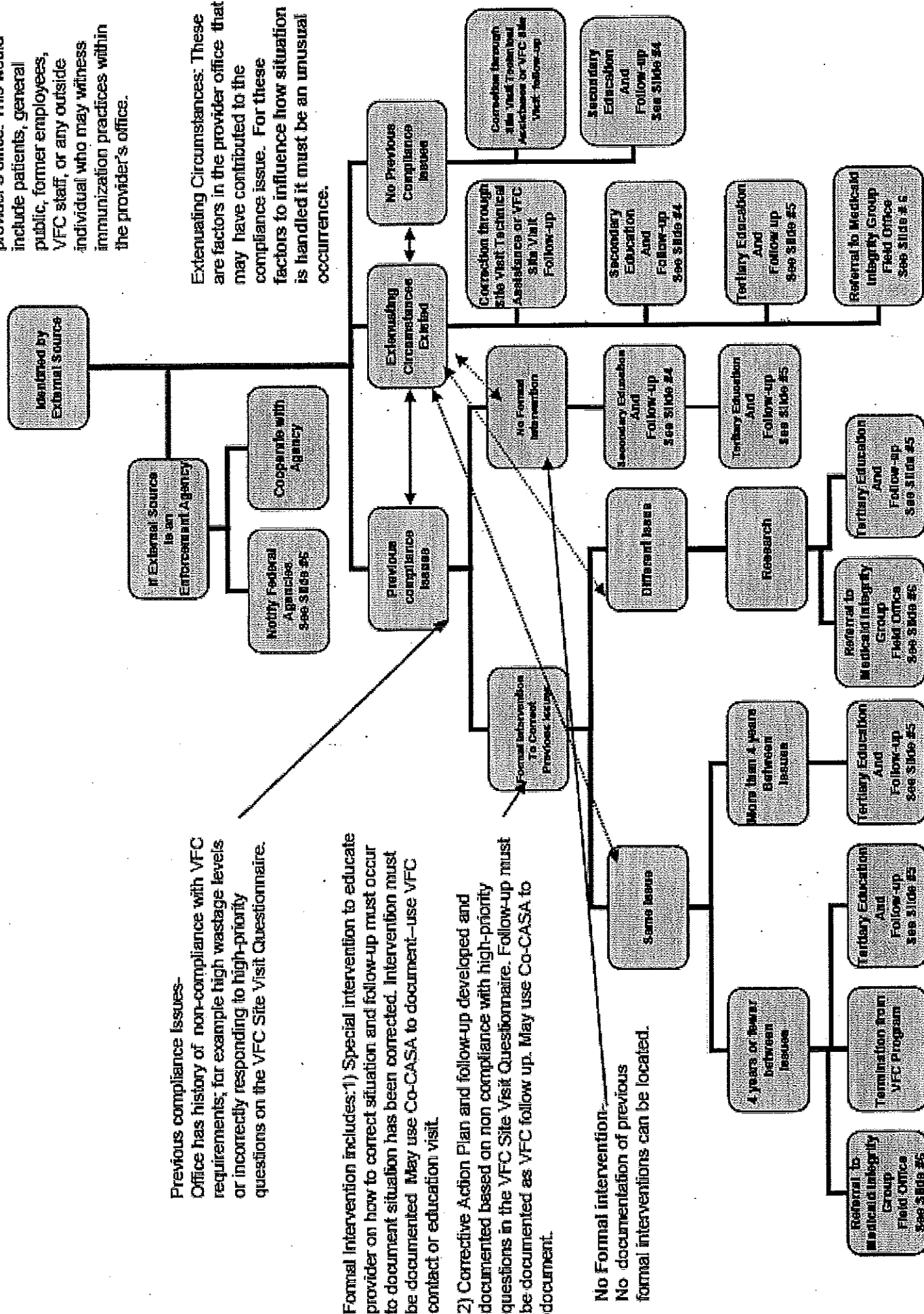
If a VFC Provider's actions are determined to constitute fraud or abuse, the provider may be required to reimburse vaccine or other costs, may be terminated from the VFC Program and have his/her name added to the KVP excluded provider list, and/or may be referred for criminal prosecution. If a VFC providers actions are determined to not constitute intentional fraud or abuse, the provider would receive education and follow-up from the Kentucky Immunization Program staff until the situation is resolved.



Non-compliance with VFC Provider Requirements Protocol

**External Source-** Any person or agency outside VFC provider's office. This would include patients, general public, former employees, VFC staff, or any outside individual who may witness immunization practices within the provider's office.

**Exenuating Circumstances:** These are factors in the provider office that may have contributed to the compliance issue. For these factors to influence how situation is handled it must be an unusual occurrence.





# Hierarchy of VFC Provider Education

Primary: Routine, orientation, updates,  
 Secondary: Moderate compliance issues.  
 Tertiary: Serious compliance issues  
 immediate & significant actions must occur  
 to correct situation.

Research must occur throughout all steps of  
 algorithm and is defined as contacting other  
 internal or external agencies that may  
 include, but not limited to legal counsel,  
 Medicaid, licensing board or excluded  
 provider list.

